



THOMAS L. GARTHWAITE, M.D.
Director and Chief Medical Officer

FRED LEAF
Chief Operating Officer

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES
313 N. Figueroa, Los Angeles, CA 90012
(213) 240-8101

BOARD OF SUPERVISORS

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April 29, 2004

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF AMENDMENT NO. 3 TO DIETARY SERVICES AGREEMENT
WITH MORRISON HEALTH CARE, INC.**
(5th District) (3 Votes)

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and instruct the Chairman to sign the attached Amendment No. 3 to Agreement No. 70694 with Morrison Health Care, Inc. (Morrison), for the provision of dietary services at Olive View-UCLA Medical Center on a month-to-month basis, effective June 1, 2004 through November 30, 2004 for a total maximum obligation of \$1,684,963.

PURPOSE-JUSTIFICATION OF RECOMMENDED ACTION:

In approving this action, the Board is authorizing a contract term extension on a month-to-month basis for a maximum of six (6) months from June 1, 2004 through November 30, 2004 to allow time to complete a Request for Proposals (RFP). The RFP is scheduled to be released in May 2004.

The Department of Health Services (DHS) has been contracting out dietary services under provisions of County Code 2.121.250 *et seq.*, "Contracting with Private Businesses" (Proposition A), since October 1984. Dietary services are an integral part of the legitimate activities which must be provided by a hospital to perform its health care functions.

FISCAL IMPACT/FINANCING:

The maximum obligation of Amendment No. 3, effective June 1, 2004 through November 30, 2004, is \$1,684,963, that includes a 2.1% cost of living adjustment. Funding is available in the DHS Fiscal Year (FY) 2003-04 Adopted Budget and is included in the FY 2004-05 Proposed Budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

On May 13, 1997, the Board approved Agreement No. 70694 with Morrison to provide dietary services at OV-UCLA, effective June 1, 1997 through May 31, 1998, with provisions for four one-year

The Honorable Board of Supervisors
April 29, 2004
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automatic renewals and a six-month optional renewal, with an expiration date of November 30, 2002. Amendment No. 1 was originally approved by the Board on November 26, 2003. However, the budget for the extension was incorrect.

On May 20, 2003, the Board approved a corrected Amendment No. 1 to Agreement No. 70694 extending the term of the Agreement effective December 1, 2002 through November 30, 2003.

On November 18, 2003, the Board approved Amendment No. 2 to Agreement No. 70694 extending the term of the Agreement effective December 1, 2003 through May 31, 2004.

Morrison is providing approximately 360,000 patient meals annually. In addition, the Agreement permits the contractor to utilize the kitchen facilities at OV-UCLA during off-hours or inactive times to provide non-County meals to non-profit agencies, such as those providing "Meals on Wheels" nutrition programs for the elderly, or summer lunch programs for school children. The County is reimbursed for the use of this space and utilities and also receives reimbursement at a specified rate per meal.

Contract monitoring functions will be performed by Administrative staff at OV-UCLA.

County Counsel has approved Amendment No. 3 (Exhibit I) as to form.

The contractor is in compliance with all Board, CAO and County Counsel requirements.

CONTRACTING PROCESS:

DHS is in the process of completing a solicitation for dietary services at OV-UCLA MC, Harbor-UCLA Medical Center, Martin Luther King, Jr.-Drew Medical Center and Rancho Los Amigos National Rehabilitation Center and anticipates that this RFP process will be completed prior to the expiration date of Amendment No. 3.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

Board approval will allow for the continued provision of dietary services at OV-UCLA during the solicitation of a new dietary services contract.

When approved, the Department requires three signed copies of the Board's action.

Respectfully submitted,



Thomas L. Garthwaite, M.D.
Director and Chief Medical Officer

TLG:amb

Attachments (1)

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors
Auditor-Controller

BLET:CD3316.amb

ATTACHMENT A

SUMMARY OF AGREEMENT

1. Type of Services:

Dietary Services at Olive View-UCLA Medical Center

2. Agency Name-Address-Contact Person:

Morrison Health Care, Inc.
1727 Axenty Way
Redondo Beach, CA 90278
Attention: Edward M. Clark
Telephone: (310) 798-4017

3. Term:

The term of Amendment No. 3 to Agreement No. 70694 will become effective June 1, 2004 through November 30, 2004.

4. Financial Information:

Funds are available in the DHS Fiscal Year (FY) 2003-04 Adopted Budget and will be requested in the FY 2004-05 Proposed Budget. The total maximum obligation for the six month extension is \$1,684,963, that includes a 2.1% cost of living adjustment.

5. Person Accountable for Program Monitoring:

Dexter Moon, Contract Administrator, Olive View-UCLA Medical Center
Telephone: (818) 364-3418

6. Approvals:

Olive View-UCLA MC: Melinda Anderson, CEO

Contract Administration: Irene E. Riley, Director

County Counsel (approval as to form): Elizabeth Friedman, Senior Deputy County Counsel

EXHIBIT I

Contract No. 70694

**AGREEMENT FOR DIETARY SERVICES
AT OLIVE VIEW/UCLA MEDICAL CENTER**

AMENDMENT NO. 3

THIS AMENDMENT is made and entered into this _____ day
of _____, 2004,

by and between the

COUNTY OF LOS ANGELES
(hereafter "County")

and

MORRISON HEALTH CARE, INC.
(hereafter "Contractor")

WHEREAS, reference is made to that certain document entitled
"AGREEMENT FOR DIETARY SERVICES AT OLIVE VIEW/UCLA MEDICAL
CENTER", dated May 13, 1997, and further identified as County
Agreement No. 70694, an extension letter dated February 21, 2002,
and any Amendments thereto (all hereafter referred to as
"Agreement"); and

WHEREAS, it is the intent of the parties to amend Agreement
to extend its term and to make the changes described hereinafter;
and

WHEREAS, said Agreement provides that changes may be made in
the form of a written amendment which is formally approved and
executed by the parties.

NOW, THEREFORE, the parties hereby agree as follows:

1. This Amendment shall become effective on June 1, 2004.
2. The term of this Agreement is hereby extended on a month

to month basis, for a maximum of six (6) months, from June 1, 2004 through November 30, 2004, unless sooner terminated by County.

3. That Exhibit B-1, be replaced with Exhibit B-2, attached to this Amendment and incorporated in Agreement by reference.

4. That Paragraph 67, CONTRACTOR RESPONSIBILITY AND DEBARMENT, be added to the Agreement to read as follows:

"67. CONTRACTOR RESPONSIBILITY AND DEBARMENT:

A. A responsible Contractor is a Contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the contract. It is the County's policy to conduct business only with responsible Contractors.

B. Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if County acquires information concerning the performance of Contractor on this Agreement or other Agreements which indicates that Contractor is not responsible, County may in addition to other remedies provided in the Agreement, debar Contractor from bidding or proposing on, or being awarded, and/or performing work on County Agreements for a specified period of time not to exceed three (3) years, and terminate any or all existing Agreements Contractor may have with County.

C. County may debar a Contractor if the Board of Supervisors finds, in its discretion, that Contractor has done any of the following: (1) violated a term of an Agreement with County or a nonprofit corporation created by County, (2) committed an act or omission which negatively reflects on the Contractor's quality, fitness, or capacity to perform an Agreement with County any other public entity, or a nonprofit corporation created by County, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against County or any other public entity.

D. If there is evidence that Contractor may be subject to debarment, the Department will notify Contractor in writing of the evidence which is the basis for the proposed debarment and will advise Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.

E. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Contractor and/or the Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative

proposed decision, which shall contain a recommendation regarding whether Contractor should be debarred, and, if so, the appropriate length of time of the debarment. The Contractor and the Department shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.

F. After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Hearing Board.

G. These terms shall also apply to (sub-contractors/subconsultants) of County Agreements."

5. Except for the changes set forth herein above, Agreement shall not be changed in any other respect by this Amendment.

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IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its Chairman and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
Chairman, Board of Supervisors

ATTEST:

MORRISON HEALTH CARE, INC.
Contractor

VIOLET VARONA-LUKENS, Executive
Officer of the Board of
Supervisors of the County of
Los Angeles

By _____
Title _____

By: _____
Deputy

APPROVED AS TO FORM
BY THE OFFICE OF THE COUNTY COUNSEL

By: _____
Deputy

APPROVED AS TO CONTRACT
ADMINISTRATION:

Department of Health Services

By: _____
Irene E. Riley, Director
Contract Administration

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SCHEDULE 2

CONTRACTOR'S BUDGET AND COUNTY'S CHARGE SCHEDULE

Contractor's 6 Month Budget
June 1, 2004 through November 30, 2004

I. Contractor to Deliver 24,000 - 30,000 Meals Per Calendar Month:

Labor Costs	\$ 998,803
Raw Food Costs	\$ 479,466
Equipment Costs	\$ 11,923
Materials, Services and Supplies	\$ 108,845
Utilities	\$ 521
Maintenance	\$ 6,185
General Administrative & Management Fee	\$ 46,028
Subtotal	\$ 1,651,771
Sales Tax Liability	\$ 13,192
A. TOTAL AMENDMENT BUDGET	\$ 1,664,963
B. Special Function Meals	\$ 12,500
C. Incidental Food and Supplies	\$ 4,000
D. Patient Tube Feeding Products	\$ 3,500
E. Contractor's Total Amended Budget	\$1,684,963

Includes estimated 2.1% CPIU (actual CPI-U for June-December 2003)
Will revise actual billing up to 3% or down to 0% based on May 2004
actual CPI-U or average general movement in County salaries for
that period.